



## ARIZONA BOARD OF APPRAISAL

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### MINUTES REGULAR BOARD MEETING Friday December 2, 2011 8:35 a.m

#### **Call to Order and Roll Call**

Regular Board meeting called to order by Les Abrams, Chairperson

Board members Present at Roll Call:

Les Abrams  
Debbie Rudd  
Myra Jefferson  
Mike Petrus  
Frank Ugenti  
Kevin Yeanoplos

Staff Attendance:

Dan Pietropaulo – Executive Director  
Jeanne Galvin – Assistant Attorney General  
Rebecca Loar – Regulatory Compliance Officer  
Amanda Benally – AMC Compliance Officer

#### **Pledge of Allegiance**

Les Abrams welcomed Dan Pietropaulo back to the Board after his previous absence.

Debbie Rudd made a motion to approve the November minutes. Myra Jefferson seconded the motion and Les Abrams abstained, there was no quorum and Debbie Rudd and Myra Jefferson withdrew their motions.

#### **Call to the Public**

Joanna Conde updated the Board and submitted the AAREA Survey Questions on Proposed legislation November 2011 Survey. She would like input by the regulated community by the 15<sup>th</sup> or 16<sup>th</sup> of December then have the results ready for the Board to consider at the January 2012 meeting before it goes to legislation. (See full report to the Board attached),

#### **Review and Action concerning 2867 Jeffrey M. Playford**

Respondent appeared. Respondent informed the Board of his current health condition and apologized for allowing the complaint to go on for three years and mentioned he should have taken the Board's request to go under mentorship. He informed the Board that he has been under mentorship with David LeWin for three months and requested an extension for two months to complete the required 12 appraisal reports. Debbie Rudd made the motion to rescind the referral to the Office of Administrative Hearings after Respondent has signed proposed Consent Agreement. Myra Jefferson seconded the motion. The Board voted unanimously in favor of the motion. Jeanne Galvin

commented to the Board that they could remind the Respondent that he can do demonstration reports to meet his appraisal report requirement.

Les Abrams introduced Juanita Coghill, the newest board staff member, working as the accountant and Frank Ugenti as the new Certified Residential Board member.

**Review and Action concerning 3115 Kathryn M. Christen**

Respondent appeared. Debbie Rudd made the motion that the Board find no violations and dismiss the complaint. Mike Petrus seconded the motion; Frank Ugenti abstained. The Board voted in favor of the motion.

**Review and Action concerning 3121 Cora L. Shurtz**

Respondent appeared. Debbie Rudd made the motion that the Board accept the investigative report. Myra Jefferson seconded the motion; Frank Ugenti abstained. The Board voted in favor of the motion. Debbie Rudd made the motion that the Board find a Level 2, citing all the violations found in investigative report. There was some discussion on how the Respondent records her market research. Debbie Rudd made the motion that the Board offer a Nondisciplinary Remedial Action Letter with education to be completed within 6 months. Mike Petrus seconded the motion; Frank Ugenti abstained. The Board voted in favor of the motion.

**Review and Action concerning 3313 Jason Maze**

Respondent appeared. There was discussion on the sales used and that the subject property was a resale property but the Respondent didn't feel new construction reflected the market and that there was no age adjustments for the comparables used. Debbie Rudd made the motion that the Board send this to investigation. Mike Petrus seconded the motion; Frank Ugenti abstained. The Board voted in favor of the motion.

**Review and Action concerning 3306 Henry R. Wieczorek, Jr.**

Respondent appeared. Debbie Rudd made the motion that the Board find Violations 1-4 (a), 1-1 (a), 2-1 (a) and noted that because this appraisal report occurred prior to the Respondent's probation, to take no further action and close the case. Mike Petrus seconded the motion; Frank Ugenti abstained. The Board voted in favor of the motion.

**Review and Action concerning 3312 Robert L. Tavener**

Respondent appeared. There was discussion on the cost approach and depreciation and the Board encouraged the Respondent to take a cost approach class to follow up on the most recent methodologies. Mike Petrus made the motion that the Board find no violations and dismissed the complaint. Kevin Yeanoplos seconded the motion; Frank Ugenti abstained. The Board voted in favor of the motion.

**Informal Hearing concerning 2902/3054/3242/3302 Ardeth L. Fair**

Respondent appeared and was sworn in. Respondent did not have any open statements. Mike Petrus made the motion that the Board find no violations and dismiss Complaint 3302. Debbie Rudd seconded the motion; Frank Ugenti abstained. The Board voted in favor of the motion. Respondent gave a closing statement and mentioned that there were errors made and in terms of the outcome of the reports they were solid and she needs to learn to put what is in her mind in her reports. Mike Petrus made the motion to combine Complaints 2902/3054/3242 and find a Level 2 and offer a Due Diligence Consent Letter with disciplinary education to be completed within 6

months. Debbie Rudd seconded the motion; Frank Ugenti abstained. The Board voted in favor of the motion.

**Review and Action concerning 3133 Brad L. Duecker**

Debbie Rudd made the motion that the Board accept the investigative report. Mike Petrus seconded the motion; Frank Ugenti abstained. The Board voted in favor of the motion.

**Review and Action concerning 3179 Brad L. Duecker**

Debbie Rudd made the motion that the Board find violations 1-4(a), 1-1(a), 1-2(e) 1-3(a) 1-4(a) & (b), 2-1(b) and combine Complaint 3133 and invite Respondent to an informal hearing. Mike Petrus seconded the motion; Frank Ugenti abstained. The Board voted in favor of the motion.

**Review and Action concerning 3311 Jay A. Josephs**

Complainant appeared and gave a brief history and reasoning for filing the complaint. Complainant feels that the Respondent used superior comparables and she alleges that many other errors were found in the report. Complainant described the current condition of the home and what remodeling was done to the property. Debbie Rudd made the motion to send this to investigation and have the investigator listen to the audio recording of this proceeding and to describe the level of remodeling that has been done to the subject property. Myra Jefferson seconded the motion; Frank Ugenti abstained. The Board voted in favor of the motion.

**Review and Action concerning 3296 Keefe R. Tidwell**

Respondent did not appear. The Board members had several questions and discussed the sales history of the comparables used in the appraisal report. Debbie Rudd made the motion to invite the Respondent to an informal hearing to answer the Board's questions. Myra Jefferson seconded the motion; Frank Ugenti abstained. The Board voted in favor of the motion.

**Review and Action concerning 3307 Eldon D. Bates**

Respondent did not appear. Debbie Rudd made the motion that the Board find a Level 1 citing violations 1-1(a) and 1-1(c) and offer a Nondisciplinary Letter of Concern. Mike Petrus seconded the motion; Frank Ugenti abstained. The Board voted in favor of the motion.

**Review and Action concerning 3309 John D. Karam**

Respondent did not appear. Debbie Rudd made the motion that the Board find no violations and dismiss the complaint. Mike Petrus seconded the motion; Frank Ugenti abstained. The Board voted in favor of the motion.

**Review and Action concerning 3310 Jason A. Henderson**

Respondent did not appear. Debbie Rudd found the report to have violations 1-2(e) and 1-1(c). There was discussion and concern on the Respondent's choice of comparables due to their location from the subject property. There was also discussion to send this to investigation and what investigator would have geographical competency in this unique and specialized market area. Bill Barnes from the audience suggested to the Board that Gabe Corral a former board member may be willing to provide sales data as he is very familiar of the area for over 10 years or more. Dan Pietropaulo suggested to the Board that a limited investigation be conducted specifically to complete a market analysis of 1

to 5 acre tracts of land in this area for the Board to review and consider the data. Debbie Rudd made the motion to send this to investigation and request Gabe Corral to conduct a limited investigation of a market survey of single residential properties and vacant land 1 through 5 acres. Myra Jefferson seconded the motion; Frank Ugenti abstained. The Board voted in favor of the motion. Mike Petrus made the motion to open a complaint against the review appraiser alleging that his review appraisal may be misleading in violation of 1-1(a) as he based his review on 1 acre parcels and the subject was a 5 acre parcel and he did so without adequate disclosure and discussion. Debbie Rudd seconded the motion; Frank Ugenti abstained. The Board voted in favor of the motion.

**Review and Action concerning 2912/3136 Flo C. Lehnus**

Respondent did not appear. Debbie Rudd made the motion to accept the investigative report for Complaint 3136 and combine 2912 with Complaint 3136 and invite Respondent to an informal hearing. Mike Petrus seconded the motion; Frank Ugenti abstained. The Board voted in favor of the motion.

**Review and Action concerning 2984/3113 Kyle D. Lindsey**

Respondent did not appear. Debbie Rudd made the motion to table 2984 and return Complaint 3113 back to the investigator to compare with Complaint 3241 to determine whether a pattern exists. Myra Jefferson seconded the motion; Frank Ugenti abstained. The Board voted in favor of the motion.

**Review and Action concerning 3161/3272 Brent K. Walden**

Respondent did not appear. Debbie Rudd made the motion that the Board accept the investigative reports. Mike Petrus seconded the motion; Frank Ugenti abstained. The Board voted in favor of the motion. Mike Petrus made the motion that the Board find no violations and dismiss Complaint 3161. Debbie Rudd seconded the motion; Frank Ugenti abstained. The Board voted in favor of the motion. Mike Petrus made the motion that the Board find no violations and dismiss Complaint 3272. Debbie Rudd suggested that the Board table this till next month for more time to review. Mike Petrus withdrew his motion; Debbie Rudd made the motion that the Board table Complaint 3272 until next month. Myra Jefferson seconded the motion; Frank Ugenti abstained. The Board voted in favor of the motion.

**Review and Action concerning 3188/3222 Kevin P. Dowling**

Respondent did not appear. Debbie Rudd recused herself from this matter. Mike Petrus made the motion that the Board accept the investigative reports for Complaints 3188 and 3222. Myra Jefferson seconded the motion, Frank Ugenti abstained and a quorum was present. The Board voted in favor of the motion. Mike Petrus made the motion to invite Respondent to an informal hearing for Complaints 3188 and 3222. Myra Jefferson seconded the motion, Frank Ugenti abstained, and Debbie Rudd recused herself from this matter. The Board voted in favor of the motion.

**Review and Action concerning 2875 Sean A. Chaffey**

Respondent did not appear. Debbie Rudd made the motion that the Board approve Roy M. Finley, Jr. as Respondent's mentor. Mike Petrus seconded the motion; Frank Ugenti abstained. The Board voted in favor of the motion.

**Review and Action concerning 3088/3089/3090 Michael F. Cecchi**

Respondent did not appear. Debbie Rudd made the motion to terminate Respondent's probation. Mike Petrus seconded the motion; Frank Ugenti abstained. The Board voted in favor of the motion.

**12-Month File Review**

Jeanne Galvin updated the Board on 12 month file review. There was some discussion and concern on the amount of complaints that need to go to investigation. Complaints 3068 and 3069 are substantial in volume. It was suggested that Rebecca Loar will make these files available for each board member to review in the board's office in the next couple of weeks and to put this matter on the February agenda.

**Executive Director's Report**

Dan Pietropaulo informed the Board that staff will be scheduling all the hearings and investigations. The Board now has the resources to complete these pending complaints and be current prior to the Appraisal Subcommittee's Annual Audit in April of next year. This is a very high priority and Dan asked the Board for any ideas. There was discussion on the possibility and necessity of the board having two-day meetings until they are caught up. Rebecca Loar will look into the availability for use of the conference room. Jeanne Galvin, Assistant Attorney General's assignments are current and there were three complaints extended by staff. The credit card project has run into some snags with the development and will have to be temporarily postponed. The Board office's data merge and website update are still in process and the funding and mechanisms appear to be working. The Board is now faced with having to do something with the current email system. The AMC rules made it to GRRC and there is no objection expected. Amanda Benally, AMC Compliance Officer informed the Board that the Appraisal Subcommittee has approved the requested extension to get the ASC fee raised from \$50 to \$80. However, that was a back up in case it would not be approved by GRRC in time, but Amanda turned in the proposed rule within the deadline and it should be approved and go into effect January 1, 2012. Dan informed the Board that he did not get an exception to the rules moratorium for 2010-2011 USPAP. Jeanne Galvin informed the Board that there apparently has been a new development with 90-10 agencies whereas executive director's that were not appointed by the governor do not need to obtain an exception for the rules moratorium. Ms. Galvin is attempting to confirm this new interpretation and is seeking written confirmation. Jeanne Galvin suggested that the Board could adopt a substantive policy statement to adopt the Federal rule until the state can adopt it via a rule change. Debbie Rudd recommended that a proposed substantive policy statement be drafted and submitted to the Board at the January meeting for approval. Joanna Conde offered to put together a proposal to allow the statute that would automatically accept the federal rule. In addition, this proposal could go along with the other proposed legislation Joanna Conde is putting together.

**Review and Action concerning A0032 Valocity, LLC**

Respondent did not appear. Amanda Benally read the Respondent's response to the Board. Debbie Rudd made the statement that this complaint was due to failure of payment. Amanda Benally confirmed that payment to the appraiser has been made. Mike Petrus made the motion that the Board offer a Nondisciplinary Letter of Concern citing violations; for failure to pay the appraiser within the time frame pursuant to A.R.S. § 32-3675. Myra Jefferson seconded the motion, Frank Ugenti abstained. The Board voted in favor of the motion.

### **Issues dealing with Formal Hearing 12F-11233-BOA Jack Alexander**

Respondent and Jessica Sapio, Licensing and Education Administrator appeared via teleconference. Jeanne Galvin updated the Board on the current status of the case. Jack Alexander gave an opening statement. Debbie Rudd made the motion that the Board rescind the referral to the Office of Administrative Hearings and grant the Respondent his license. Kevin Yeanopolis seconded the motion. The Board voted in favor of the motion.

Debbie Rudd made the motion that the Board approve the November 2011 minutes. Les Abrams recused himself from this matter. Myra Jefferson seconded the motion; Frank Ugenti abstained but contributed to the quorum. The Board voted in favor of the motion.

### **Application File Review**

Mike Petrus recommended that the Board approve all items on the Application Review Committee agenda and find 174-Managed Appraisal Services, Inc. substantively incomplete, and deny AR11334 David B. Richey for failure to disclose his disciplinary background. Debbie Rudd made the motion that the Board accept the Committee's recommendations. Myra Jefferson seconded the motion. The Board voted in favor of the motion.

### **Testing and Education Committee**

Mike Petrus recommended that the Board approve all items on the Testing and Education Committee agenda. Debbie Rudd made the motion that the Board accept the Committee's recommendations. Myra Jefferson seconded the motion. The Board voted in favor of the motion.

### **Personnel Committee**

Myra Jefferson made the motion to go into executive session to discuss personnel matters. Debbie Rudd seconded the motion. The Board voted in favor of the motion.

### **Back in Regular Session**

Debbie Rudd made the motion for the Board to accept the recommended salary increase discussed in executive session for Dan Pietropaulo, Executive Director. Myra Jefferson seconded the motion. The Board voted in favor of the motion.

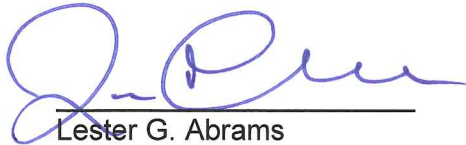
Debbie Rudd mentioned that any surplus of funds will go towards the outstanding investigations and data base conversion. Les Abrams mentioned that the position of the executive director demands the kind of caliber Dan Pietropaulo brings and the Board needs that. Amanda Benally informed the Board that the surplus is just where the Board is financially right now and that the money has already been appropriated.

Jeanne Galvin mentioned that a reporter has approached each Board member, and informed the Board that one way to handle such requests is to refer the reporter to the board office in the form of a public records request and that Rebecca Loar handles those requests.

**Dates and Times**

There was discussion among the board members and staff on the need to get all complaints over 12 months or more adjudicated within the next couple of months. There were suggestions of meeting on Friday and Saturday, having two-day meetings back to back, scheduling the board meetings to go past 5 p.m. Board members and staff shared their thoughts and concerns, costs, etc., and it was decided to have two board meetings for the months of January and February to be caught up. Then Board meetings for 2012 will be listed on the Board's website at [www.appraisal.state.az.us](http://www.appraisal.state.az.us) under Meetings.

There was a request from Debbie Rudd to be removed from Application and Education Committees. Les Abrams appointed Frank Ugenti to Application and Education Committee.



Lester G. Abrams  
Chair